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No. 09-776

IN THE

Supreme Court of the United States

JIM O'NEAL DISTRIBUTING, INC.,

Petitioner,

v.

ONE INDUSTRIES, LLC,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF IN OPPOSITION

JONATHAN HANGARTNER
X-PATENTS, APC
5670 La Jolla Boulevard
La Jolla, CA 92037
(858) 454-4313

Counsel for Respondent

227926

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

QUESTION PRESENTED

Whether Petitioner has presented a compelling reason to grant the Petition despite the denial of Petitioner's requests for both panel and en banc rehearing, and where the Ninth Circuit's decision affirming the district court's grant of summary judgment is consistent with established substantive and procedural law, and does not conflict with the decision of any other court?

CORPORATE DISCLOSURE STATEMENT

Respondent One Industries, LLC hereby states that it's successor ONE Industries, Inc. is wholly owned by Triple Seven Group, Inc.

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Sup. Ct. R. 10 2

INTRODUCTION

This Petition for Writ of Certiorari (the "Petition") arises from a Ninth Circuit decision affirming summary judgment of non-infringement in a trademark case involving off-road motorcycle helmets. Petitioner Jim O'Neal Distributing, Inc. ("Petitioner" or "O'Neal") alleges that the Ninth Circuit's opinion improperly "superimposed" an "additional procedural requirement" on Fed. R. Civ. P. 12(e). According to O'Neal, the Ninth's Circuit's opinion requires a party "to file a motion for reconsideration when the district court makes factual findings based only on the notice pleadings and bars the party from making any allegations contrary to the court's factual findings in any amended pleadings." Petition at *i*.

The Ninth Circuit did nothing of the sort. Among its contentions on appeal, O'Neal asserted that the district court committed reversible error because it allegedly resolved the issue of "tacking" with respect to O'Neal's trademarks prematurely in connection with Respondent's motion for more definite statement. The Ninth Circuit very simply held that while the "better practice" would be to resolve such issues on summary judgment, there was no reversible error based on the timing of the district court's decision.[1] The Ninth Circuit

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[1] It is worth noting that the district court's order granting in part Respondent's motion for more definite statement actually issued *after* the close of fact discovery in the case. Fact discovery closed on May 15, 2007, while the Order granting in part Respondent's motion for more definite statement was entered in May 29, 2007.

then went on to review the underlying substantive decision on the issue of tacking of O'Neal's trademarks, holding that O'Neal could not meet the standard for tacking as a matter of law.

Petitioner has presented no "compelling reason" for their Petition for a Writ of Certiorari. *See* Sup. Ct. R. 10. The Ninth Circuit's decision is not in conflict with any decision of any other court, and it is entirely consistent with the Federal Rules of Civil Procedure and the substantive law of trademarks. The Petition should be denied.

STATEMENT OF THE CASE

Respondent One Industries, LLC ("One Industries" or "Respondent"), is a California limited liability company that designs and sells motorcycle racing products and accessories. In September 1999, Respondent introduced a logo based on the concept of two (2) interlaced number one's that created the impression of a third number one in the space between them. This logo, referred to as the One Icon, is shown below:

The United States Patent and Trademark Office ("USPTO") has granted federal trademark registrations for the One Icon mark including: Registration No. 2831709 for clothing; Registration No. 2831710 for

fenders, handle bar pads, and seat covers for motorcycles; Registration No. 2842641 for printed materials; and Registration No. 2946193 for motorcycle helmets.

In May of 2006 Petitioner wrote to Respondent accusing it of infringing on its trademarks. Respondent promptly filed a Complaint for Declaratory Judgment against Petitioner. In response, Petitioner asserted six counterclaims alleging trademark and trade dress infringement and unfair competition. In response, in September 2006, Respondent filed motions to dismiss and for a more definite statement, specifically asking for a more definite statement as to which of following five trademarks used by O'Neal was allegedly infringed:

(1991) (1992) (1993) (1997) (2003)

While Respondent's motion was pending, discovery proceeded and ultimately fact discovery closed on May 15, 2007, without any decision on the motion. Finally, on May 29, 2007, the district court granted in part Respondent's motion to dismiss and for a more definite statement, and ordered Petitioner to amend its counterclaims and third-party complaint to "provide a more definite statement concerning the mark alleged to have been infringed." App. 72a. The district court did not prohibit Petitioner from raising any issues or making any arguments in any future filings in the case – it simply ordered a more definite statement as to which mark or marks were at issue. *Id.*

On July 2, 2007, Petitioner filed an Amended Answer and Counterclaims alleging that the One Icon infringed its 1997 Rounded O' Mark. On August 15, 2007, One Industries moved for summary judgment. In its opposition, Petitioner elected not to even mention the tacking doctrine or its alleged application in this case.

On February 14, 2008, the District Court issued a twenty-one (21) page order granting summary judgment (the "Summary Judgment Order"). App. B.

On February 15, 2008, O'Neal filed a Notice of Appeal from the judgment of summary judgment. On August 24, 2009, the Ninth Circuit issued an Opinion affirming the district court's decision granting summary judgment for Respondent. App. A. On October 6, 2009, the panel issued an order stating that it had voted to deny both Petitioner's petition for rehearing and its petition for rehearing en banc, and that after notice no active judge had requested a vote on whether to rehear the matter en banc. App. E.

REASONS FOR DENYING THE PETITION

The Ninth Circuit's decision affirming the district court's grant of summary judgment is not in conflict with any decision of any other court, and it is entirely consistent with the Federal Rules of Civil Procedure and the substantive law of trademarks.

I. The Ninth Circuit Did Not Superimpose Any Procedural Requirement on Fed. R. Civ. P. 12(e)

Petitioner's only argument in support of its Petition is its assertion that the Ninth Circuit as somehow "superimposed" an additional procedural requirement on Fed. R. Civ. P. 12(e). Specifically, Petitioner asserts that the Ninth's Circuit's opinion requires a party "to file a motion for reconsideration when the district court makes factual findings based only on the notice pleadings and bars the party from making any allegations contrary to the court's factual findings in any amended pleadings." Petition at *i*. Review of the Ninth Circuit's opinion and the underlying district court decision does not disclose any new requirements for Rule 12(e) or any other alterations of the Federal Rules of Civil Procedure.

At the district court, Respondent's motion for a more definite statement simply sought to clarify which trademark or marks it had allegedly infringed. The district court reviewed the counterclaims and agreed that it was "unclear which of the O' marks identified are alleged to have been infringed." App. 72a. The district court also was "unpersuaded" by Petitioner's argument that the various marks shown in the counterclaims were all "one mark," finding that "in order for One Industries to form a proper response to the allegations contained in counts two and five, O'Neal must provide a more definite statement concerning the mark alleged to have been infringed."

Contrary to Petitioner's repeated assertions, the district court did not bar Petitioner from asserting any

particular mark or marks, and it did not prohibit Petitioner from raising a tacking argument in the case. Rather, the district court simply stated that it had not been persuaded on the issue of tacking, and required a clear identification of the mark or marks at issue so that Respondent could reasonably answer the allegations. Petitioner, however, elected to assert only its 1997 Rounded 0' mark and abandon the tacking argument – neither seeking reconsideration or clarification of the district court's decision on the motion for more definite statement nor raising tacking in its opposition to summary judgment.

On review, the Ninth Circuit treated the district court's order as a ruling on the issue of tacking. While finding that the "better practice" would have been to resolve tacking on summary judgment, the Ninth Circuit found no reversible error. In particular, the Ninth Circuit noted that Petitioner never raised this alleged error with the district court, either by way of a motion for reconsideration of the decision granting Respondent's motion for a more definite statement or by requesting deferral of the decision until after the close of discovery.[2] App. 11a - 12a.

The Ninth Circuit then went on to consider the tacking issue on the merits, conducting a thorough *de novo* review. App. 12a - 15a. After careful consideration, the Ninth Circuit concluded that the district court had

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[2] As noted above, the district court did not issue its decision granting Respondent's motion for more definite statement until after the close of discovery, but this fact was apparently missed by the Court of Appeals.

properly granted Respondent's motion for more definite statement. In particular, the Ninth Circuit held as a matter of law that the "material differences" between the different trademarks that Petitioner was attempting to tack "convince us that this is not one of those 'exceptional' circumstances in which tacking should be permitted." App. 15a.

While the Ninth Circuit found that Petitioner had "acquiesced in the resolution of the issue in the disposition of the 12(e) motion," this determination does not graft or "superimpose" any new requirement on to Rule 12(e). If Petitioner believed that the district court had improperly decided the issue of tacking on an incomplete record, Petitioner had a duty to raise the issue with the district court. Petitioner chose to say nothing in response to the district court's order granting the Rule 12(e) motion. Petitioner then chose to say nothing again in response to Respondent's motion for summary judgment, instead waiting for its appeal from the district court's grant of summary judgment to even raise the issue.

The Ninth Circuit's decision simply reaffirms the fundamental principle that an issue that a party believes undermines its rights should be raised promptly with the district court so that the court can take timely corrective action where necessary. Nothing in the Ninth Circuit's decision has any effect on the Federal Rules of Civil Procedure generally, or on Rule 12(e) in particular.

II. The Ninth Circuit's Decision Does Not Conflict With *Swierkiewicz*, *Conley*, or *Scheuer*

Petitioner's reliance on *Swierkiewicz v. Sorema N.A.*, 534 U.S. 506 (2002), is misplaced. In *Swierkiewicz*, the issue presented was "whether a complaint in an employment discrimination lawsuit must contain specific facts establishing a prima facie case of discrimination under the framework set forth by this Court in *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 93 S.Ct. 1817, 36 L.Ed.2d 668 (1973)." *Swierkiewicz*, 534 U.S. at 508. In view of the liberal pleading requirements under the Federal Rules of Civil Procedure, this Court held that an employment discrimination complaint need not include such facts and instead must contain only "a short and plain statement of the claim showing that the pleader is entitled to relief." *Id. Swierkiewicz*, 534 U.S. at 508.

The *Swierkiewicz* decision, as well as the *Conley* and *Scheuer* decisions cited by Petitioner, reflect the policy balance struck by the Federal Rules of Civil Procedure, allowing notice pleading and relying on the discovery process and motions for summary judgment to focus the case. *See id; Conley v. Gibson*, 355 U.S. 41, 47-48 (1957); *Scheuer v. Rhodes*, 416 U.S. 232, 236 (1974). Nothing in the Ninth Circuit's decision or the underlying district court decision is inconsistent with that balance. Faced with a complaint that alleged trademark infringement but failed to clearly identify the mark or marks that were allegedly infringed, Respondent sought clarification by way of a Rule 12(e) motion. The district court reviewed the complaint and ordered Petitioner to "provide a more definite statement concerning the mark alleged to have been infringed." App. 72a. Nothing more.

Moreover, Petitioner's underlying argument that the district court "effectively short-circuited the entire case by preemptively ruling that O'Neal must confine its allegations of infringement to a specific incarnation of the mark before discovery could be developed to demonstrate tacking" has no basis in the record. The district court simply ordered a more definite statement "concerning the mark alleged to have been infringed." App.72a. Nothing in the district court's order precluded Petitioner from amending its complaint to allege infringement of its Angular 0' mark, with seniority based on tacking back to its earlier marks.

CONCLUSION

For all of the foregoing reasons, Petitioner has failed to establish a compelling reason to grant its Petition. The Ninth Circuit's decision does not conflict with any decision of any court, and is consistent with the Federal Rules of Civil Procedure and substantive trademark law. Respondents respectfully request that the Petition be denied.

Respectfully submitted,

JONATHAN HANGARTNER
X-PATENTS, APC
5670 La Jolla Boulevard
La Jolla, CA 92037
(858) 454-4313

Counsel for Respondent